



April 10, 2015

ENGROSSED SENATE BILL No. 436

DIGEST OF SB 436 (Updated April 2, 2015 1:44 pm - DI 58)

Citations Affected: IC 6-1.1; IC 6-1.5; IC 36-7; IC 36-8; noncode.

Synopsis: State and local taxation. Provides that if a taxpayer has personal property subject to assessment in more than one township in a county or has personal property that is subject to assessment and that is located in two or more taxing districts within the same township, the taxpayer shall file a single tax return with the county assessor. Provides that a personal property return notice must be filed with the county assessor, and not the township assessor, of the county in which the owner resides when the personal property is located in a different county. Requires, for the county option \$20,000 personal property exemption, that the owner's certification be notarized and signed under penalties for perjury. Extends the expiration date of the law specifying the value of outdoor signs through the 2018 assessment date. Specifies that for purposes of property tax assessment, certain land is considered to be devoted to agricultural use. Specifies that "agricultural use" includes certain uses defined as agricultural uses for purposes of planning and zoning law. Removes the requirement in current law that such an exemption is effective in a county only if adopted by the county
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Effective: Upon passage; March 1, 2014 (retroactive); January 1, 2015 (retroactive); March 1, 2015 (retroactive); July 1, 2015.

**Hershman, Miller Pete, Raatz,
Broden, Bassler**

(HOUSE SPONSORS — BROWN T, CHERRY, SCHAIBLEY, HUSTON)

January 12, 2015, read first time and referred to Committee on Tax & Fiscal Policy.
February 19, 2015, amended, reported favorably — Do Pass.
February 23, 2015, read second time, ordered engrossed. Engrossed.
February 24, 2015, read third time, passed. Yeas 49, nays 1.

HOUSE ACTION

March 5, 2015, read first time and referred to Committee on Ways and Means.
April 9, 2015, amended, reported — Do Pass.

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income tax council. Provides that the soil productivity factors used for the March 1, 2011, assessment of agricultural land must be used for the March 1, 2015, assessment date. Specifies that new soil productivity factors shall be used for assessment dates occurring after March 1, 2015. Specifies for the 2015 and 2016 assessment dates that the agricultural land base rate is the lesser of the calculated base rate or the previous year base rate increased by the assessed value gross quotient (which is based on personal income growth). Specifies conditions for valuing real property that has an improvement consisting of a big box retail building. Removes the provision specifying that the statute governing the assessment of agricultural land does not apply to land purchased for residential uses. Specifies that in the case of a change occurring after February 28, 2015, in the classification of real property, the assessor has the burden of proving that the change is correct in any review or appeal heard by the county board and in any appeals taken to the Indiana board of tax review or to the Indiana tax court. Allows county assessors to apply negative influence factors to determine the assessed value of land classified as residential excess land. Provides that the basement of a dwelling or other building that is situated in a special flood hazard area as designated by the Federal Emergency Management Agency is exempt from property taxation if: (1) the basement floor level has been elevated to mitigate the risk of flooding; and (2) as a result, the basement is rendered unusable as living space. Specifies that, to be eligible for a homestead deduction for property that an individual is buying under contract, the contract must obligate the owner to convey title to the individual upon completion of all of the individual's contract obligations. Provides that on the form forwarded by the assessor to the county auditor and the property tax assessment board of appeals (county board) after a preliminary informal meeting with a taxpayer, the assessor must attest that the assessor described to the taxpayer the taxpayer's right to a review of the issues by the county board and the taxpayer's right to appeal to the Indiana board of tax review and to the Indiana tax court. Provides that for property tax appeals for the 2014 assessment date, or before, a county auditor may pay refund claims greater than \$100,000 over a period of five years (through 2019) by using credits against future property taxes owed on the property. Authorizes a county fiscal body to adopt an ordinance to allow political subdivisions and local agencies within the county to use a uniform property tax disclosure form. Specifies the information that must be disclosed on the form. Provides that if an ordinance is adopted, the county and other local governmental entities in the county may require a person applying for property tax exemptions, property tax deductions, zoning changes or zoning variances, building permits, or other locally issued licenses or permits to submit a disclosure form. Authorizes a county and other local governmental entities to include policies for ensuring that an applicant's property taxes are paid in the process of approving applications for property tax exemptions, property tax deductions, zoning changes or zoning variances, building permits, or other locally issued licenses or permits. Requires a review of property tax levies and rates by the department of local government finance for any fire protection territory that has uniform property tax rates. Requires an individual to hold the certification of a level two assessor-appraiser to be a member of the Indiana board of tax review after December 31, 2016. Authorizes the department of local government finance (DLGF) to increase the maximum property tax levy of Brown Township, Jackson Township, and Blue River Township in Hancock County if the township submits a petition to the DLGF requesting the increase. Specifies the maximum increase that may be granted. Permits Brown County to impose an additional property tax levy of \$478,115 each year in 2016 and 2017. Provides that if a certified technology park is operated under an agreement among two or more redevelopment commissions (RDCs), the (RDCs) may still

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Digest Continued

receive incremental state tax revenue attributable to a county that has reached the \$5,000,000 cap and that the state tax revenue is to be divided equally among the other RDCs. Provides that RDCs may agree to a different allocation. Provides that a certified technology park may capture up to \$1,000,000 of additional incremental state and local income tax and state sales tax revenue every four years after the cap is reached. Specifies requirements that must be met by the certified technology park before the additional revenue is deposited in the certified technology park incremental financing fund. Urges the legislative council to assign to a study committee the issue of alternative means of agricultural land assessment. Urges a legislative study of methods used to determine the true tax value for nonincome producing commercial property.



April 10, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED SENATE BILL No. 436

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-3-1, AS AMENDED BY P.L.146-2008,
2 SECTION 51, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 1. (a) Except as provided in subsection (c),
4 personal property which is owned by a person who is a resident of this
5 state shall be assessed at the place where the owner resides on the
6 assessment date of the year for which the assessment is made.
7 (b) Except as provided in subsection (c), personal property which is
8 owned by a person who is not a resident of this state shall be assessed
9 at the place where the owner's principal office within this state is
10 located on the assessment date of the year for which the assessment is
11 made.
12 (c) Personal property shall be assessed at the place where it is
13 situated on the assessment date of the year for which the assessment is
14 made if the property is:

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(1) regularly used or permanently located where it is situated; or
 (2) owned by a nonresident who does not have a principal office within this state.

(d) If a personal property return is filed pursuant to subsection (c), the owner of the property shall provide, within forty-five (45) days after the filing deadline, a copy or other written evidence of the filing of the return to the assessor of the ~~township~~ **county** in which the owner resides. ~~or to the county assessor if there is no township assessor for the township.~~ If such evidence is not filed within forty-five (45) days after the filing deadline, the ~~township or~~ county assessor for the area where the owner resides shall determine if the owner filed a personal property return in the township or county where the property is situated. If such a return was filed, the property shall be assessed where it is situated. If such a return was not filed, the ~~township or~~ county assessor for the area where the owner resides shall notify the assessor of the township or county where the property is situated, and the property shall be assessed where it is situated. This subsection does not apply to a taxpayer who

(1) is required to file duplicate personal property returns under section 7(c) of this chapter and under regulations promulgated by the department of local government finance with respect to that section; or

(2) is required by the department of local government finance to file a summary of the taxpayer's business tangible personal property returns.

SECTION 2. IC 6-1.1-3-7, AS AMENDED BY P.L.146-2008, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7. (a) Except as provided in subsections (b) and ~~(d)~~, (c), a taxpayer shall, on or before the filing date of each year, file a personal property return with:

(1) the assessor of each township in which the taxpayer's personal property is subject to assessment; or

(2) the county assessor if there is no township assessor for a township in which the taxpayer's personal property is subject to assessment.

(b) The township assessor or county assessor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's return if:

(1) the taxpayer submits a written application for an extension prior to the filing date; and

(2) the taxpayer is prevented from filing a timely return because of sickness, absence from the county, or any other good and



sufficient reason.

(e) If the sum of the assessed values reported by a taxpayer on the business personal property returns which the taxpayer files with the township assessor or county assessor for a year exceeds one hundred fifty thousand dollars (\$150,000); the taxpayer shall file each of the returns in duplicate.

~~(d)~~ (c) If a taxpayer:

(1) a taxpayer has personal property subject to assessment in more than one (1) township in a county; ~~and or~~

(2) the total assessed value of the personal property in the county is less than one million five hundred thousand dollars (\$1,500,000); has personal property that is subject to assessment and that is located in two (2) or more taxing districts within the same township;

the taxpayer ~~filing a return~~ shall file a single return with the county assessor and attach a schedule listing, by township, all the taxpayer's personal property and the property's assessed value. The taxpayer shall provide the county assessor with the information necessary for the county assessor to allocate the assessed value of the taxpayer's personal property among the townships listed on the return **and among taxing districts**, including the street address, the township, and the location of the property.

~~(e)~~ (d) The county assessor shall provide to each affected township assessor (if any) in the county all information filed by a taxpayer under subsection ~~(d)~~ (c) that affects the township.

~~(f)~~ (e) The county assessor may refuse to accept a personal property tax return that does not comply with subsection ~~(d)~~ (c). For purposes of IC 6-1.1-37-7, a return to which subsection ~~(d)~~ (c) applies is filed on the date it is filed with the county assessor with the schedule required by subsection ~~(d)~~ (c) attached.

SECTION 3. IC 6-1.1-3-7.2, AS ADDED BY P.L.80-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7.2. (a) This section applies in a county in which an exemption ordinance adopted under this section is in effect in the county for those assessment dates occurring:

(1) after the later of:

(A) December 31, 2015; or

(B) the date on which the ordinance is adopted; and

(2) before the ordinance is rescinded.

(b) As used in this section, "affiliate" means an entity that effectively controls or is controlled by a taxpayer or is associated with a taxpayer under common ownership or control, whether by



1 shareholdings or other means.

2 (c) As used in this section, "business personal property" means
3 personal property that:

4 (1) is otherwise subject to assessment and taxation under this
5 article;

6 (2) is used in a trade or business or otherwise held, used, or
7 consumed in connection with the production of income; and

8 (3) was:

9 (A) acquired by the taxpayer in an arms length transaction
10 from an entity that is not an affiliate of the taxpayer, if the
11 personal property has been previously used in Indiana before
12 being placed in service in the county; or

13 (B) acquired in any manner, if the personal property has never
14 been previously used in Indiana before being placed in service
15 in the county.

16 The term does not include mobile homes assessed under IC 6-1.1-7,
17 personal property held as an investment, or personal property that is
18 assessed under IC 6-1.1-8 and is owned by a public utility subject to
19 regulation by the Indiana utility regulatory commission. However, the
20 term does include the personal property of a telephone company or a
21 communications service provider if that personal property meets the
22 requirements of subdivisions (1) through (3), regardless of whether that
23 personal property is assessed under IC 6-1.1-8 and regardless of
24 whether the telephone company or communications service provider is
25 subject to regulation by the Indiana utility regulatory commission.

26 (d) As used in this section, "county income tax council" refers to the
27 county income tax council established by IC 6-3.5-6-2 for a county.

28 (e) As used in this section, "exemption ordinance" refers to an
29 ordinance adopted under subsection (f) by a county income tax council.

30 (f) The county income tax council may by a majority vote of the
31 total votes allocated to the county income tax council adopt an
32 ordinance to have the exemption under this section apply throughout
33 the county.

34 (g) For purposes of adopting an exemption ordinance under this
35 section, a county income tax council is comprised of the same members
36 as the county income tax council that is established by IC 6-3.5-6-2 for
37 the county, regardless of whether a county income tax is in effect in the
38 county and regardless of which county income tax is in effect in the
39 county. Except as otherwise provided in this section, the county income
40 tax council shall use the same procedures that apply under IC 6-3.5-6
41 when acting under this section.

42 (h) Before adopting an exemption ordinance under this section, a



county income tax council must conduct a public hearing on the proposed exemption ordinance. The county income tax council must publish notice of the public hearing in accordance with IC 5-3-1.

(i) The county income tax council shall provide a certified copy of an adopted exemption ordinance to the department of local government finance and the county auditor.

(j) Notwithstanding section 7 of this chapter, if:

(1) a county income tax council has adopted an exemption ordinance and this section applies to a county for a particular assessment date; and

(2) the acquisition cost of a taxpayer's business personal property in a county is less than twenty thousand dollars (\$20,000) for that assessment date;

the taxpayer's business personal property in the county for that assessment date is exempt from taxation.

(k) A taxpayer that is eligible for the exemption under this section is not required to file a personal property return for the taxpayer's business personal property in the county for that assessment date. However, the taxpayer must, before May 15 of the calendar year in which the assessment date occurs, file with the county assessor an annual **notarized** certification **signed under penalties for perjury** stating that the taxpayer's business personal property in the county is exempt from taxation under this section for that assessment date.

SECTION 4. IC 6-1.1-3-10, AS AMENDED BY P.L.219-2007, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 10. ~~(a)~~ If a taxpayer owns, holds, possesses, or controls personal property which is located in two (2) or more townships, the taxpayer shall file any additional returns with the county assessor which the department of local government finance may require by regulation.

~~(b) If a taxpayer owns, holds, possesses, or controls personal property which is located in two (2) or more taxing districts within the same township, the taxpayer shall file a separate personal property return covering the property in each taxing district.~~

SECTION 5. IC 6-1.1-3-24, AS AMENDED BY P.L.257-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 24. (a) In determining the assessed value of various sizes of outdoor advertising signs for the 2011 through ~~2016~~ **2018** assessment dates, a taxpayer and assessing official shall use the following table without any adjustments:

Single Pole Structure

Type of Sign

Value Per Structure



1	At least 48 feet, illuminated	\$5,000
2	At least 48 feet, non-illuminated	\$4,000
3	At least 26 feet and under 48 feet, illuminated	\$4,000
4	At least 26 feet and under 48 feet,	
5	non-illuminated	\$3,300
6	Under 26 feet, illuminated	\$3,200
7	Under 26 feet, non-illuminated	\$2,600
8	Other Types of Outdoor Signs	
9	At least 50 feet, illuminated	\$2,500
10	At least 50 feet, non-illuminated	\$1,500
11	At least 40 feet and under 50 feet, illuminated	\$2,000
12	At least 40 feet and under 50 feet,	
13	non-illuminated	\$1,300
14	At least 30 feet and under 40 feet, illuminated	\$2,000
15	At least 30 feet and under 40 feet,	
16	non-illuminated	\$1,300
17	At least 20 feet and under 30 feet, illuminated	\$1,600
18	At least 20 feet and under 30 feet,	
19	non-illuminated	\$1,000
20	Under 20 feet, illuminated	\$1,600
21	Under 20 feet, non-illuminated	\$1,000

(b) This section expires July 1, ~~2017~~ **2019**.

SECTION 6. IC 6-1.1-4-13, AS AMENDED BY P.L.85-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: Sec. 13. (a) In assessing or reassessing land, the land shall be assessed as agricultural land only when it is devoted to agricultural use.

(b) For purposes of this section, and in addition to any other land considered devoted to agricultural use, any:

(1) land enrolled in:

(A) a land conservation or reserve program administered by the United States Department of Agriculture;

(B) a land conservation program administered by the United States Department of Agriculture's Farm Service Agency; or

(C) a conservation reserve program or agricultural easement program administered by the United States Department of Agriculture's National Resources Conservation Service;

(2) land enrolled in the department of natural resource's classified forest and wildlands program (or any similar or successor program);



(3) land classified in the category of other agriculture use, as provided in the department of local government finance's real property assessment guidelines; or

(4) land devoted to the harvesting of hardwood timber; is considered to be devoted to agricultural use. Agricultural use for purposes of this section includes but is not limited to the uses included in the definition of "agricultural use" in IC 36-7-4-616(b), such as the production of livestock or livestock products, commercial aquaculture, equine or equine products, land designated as a conservation reserve plan, pastureland, poultry or poultry products, horticultural or nursery stock, fruit, vegetables, forage, grains, timber, trees, bees and apiary products, tobacco, other agricultural crops, general farming operation purposes, native timber lands, or land that lays fallow. Agricultural use may not be determined by the size of a parcel or size of a part of the parcel. This subsection does not affect the assessment of any real property assessed under IC 6-1.1-6 (assessment of certain forest lands), IC 6-1.1-6.2 (assessment of certain windbreaks), or IC 6-1.1-6.7 (assessment of filter strips).

~~(b)~~ (c) The department of local government finance shall give written notice to each county assessor of:

(1) the availability of the United States Department of Agriculture's soil survey data; and

(2) the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map.

All assessing officials and the property tax assessment board of appeals shall use the data in determining the true tax value of agricultural land. However, notwithstanding the availability of new soil productivity factors and the department of local government finance's notice of the appropriate soil productivity factor for each type or classification of soil shown on the United States Department of Agriculture's soil survey map for the March 1, 2012, assessment date, the soil productivity factors used for the March 1, 2011, assessment date shall be used for the March 1, 2012, assessment date, the March 1, 2013, assessment date, ~~and the March 1, 2014, assessment date,~~ **and the March 1, 2015, assessment date.** New soil productivity factors shall be used for assessment dates occurring after March 1, ~~2014.~~ **2015.**

~~(c)~~ (d) The department of local government finance shall by rule provide for the method for determining the true tax value of each parcel of agricultural land.

~~(d)~~ (e) This section does not apply to land purchased for industrial



1 or commercial or residential uses.

2 SECTION 7. IC 6-1.1-4-13.2 IS ADDED TO THE INDIANA
3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JANUARY 1, 2015 (RETROACTIVE)]: **Sec. 13.2. (a)**
5 **Notwithstanding the provisions of this chapter and any real**
6 **property assessment guidelines of the department of local**
7 **government finance, for the property tax assessment of**
8 **agricultural land for the 2015 and 2016 assessment dates, the**
9 **statewide agricultural land base rate value per acre used to**
10 **determine the value of agricultural land is the lesser of:**

11 (1) the base rate value included in the Real Property
12 Assessment Guidelines; or

13 (2) the product of:

14 (A) the base rate value for the immediately preceding
15 assessment date; multiplied by

16 (B) the assessed value growth quotient determined under
17 IC 6-1.1-18.5-2.

18 This amount shall be substituted for any agricultural land base
19 rate value included in the Real Property Assessment Guidelines or
20 any other guidelines of the department of local government finance
21 that apply for those assessment dates.

22 (b) This section expires December 31, 2017.

23 SECTION 8. IC 6-1.1-4-43 IS ADDED TO THE INDIANA CODE
24 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
25 MARCH 1, 2014 (RETROACTIVE)]: **Sec. 43. (a) This section applies**
26 **to a real property assessment:**

27 (1) for the 2014 assessment date and assessment dates
28 thereafter; and

29 (2) that includes a building that is:

30 (A) a limited market or special purpose property that is
31 considered a big box retail building using the Uniform
32 Standards of Professional Appraisal Practice, as published
33 by the Appraisal Standards Board of the Appraisal
34 Foundation; and

35 (B) at least fifty thousand (50,000) square feet.

36 (b) In determining the true tax value of real property,
37 consideration shall be given to the cost, sales comparison, and
38 income capitalization approaches to value. The validity of an
39 assessment shall be evaluated on the basis of all reasonable and
40 relevant evidence presented. The three (3) approaches to value and
41 the reconciliation of these approaches shall be applied using
42 generally accepted appraisal principles. For purposes of this



subsection, the following apply:

(1) Except for income producing properties, preference shall be given to the value conclusion indicated by applying the cost approach using guidelines established by the department of local government finance for the assessment of land and improvements.

(2) The determination of whether properties are comparable shall be made using generally accepted appraisal principles.

(3) The sales price for any sale of a property being analyzed as a comparable sale under the sales comparison approach to value, including a previous sale of the property being valued, may not be used if the property being analyzed as a comparable sale was vacant on the date of sale and had not been occupied for the twenty-four (24) months preceding the comparable property's date of sale.

SECTION 9. IC 6-1.1-4-44 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: **Sec. 44. (a) This section applies to a real property assessment:**

(1) for the 2015 assessment date and assessment dates thereafter; and

(2) that includes land classified as residential excess land.

(b) A county assessor may apply throughout the county an influence factor to recognize the reduced acreage value of residential excess land. The influence factor may be applied on a per acre basis or based on acreage categories.

SECTION 10. IC 6-1.1-10-16.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16.8. (a) This section applies to a dwelling or other building that is situated in a special flood hazard area as designated by the Federal Emergency Management Agency in which the mandatory purchase of flood insurance applies.**

(b) The basement of a dwelling or other building described in subsection (a) is exempt from property taxation if:

(1) the basement floor level has been elevated to mitigate the risk of flooding; and

(2) as a result, the basement is rendered unusable as living space.

SECTION 11. IC 6-1.1-12-37, AS AMENDED BY P.L.166-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 37. (a) The following definitions apply**



throughout this section:

(1) "Dwelling" means any of the following:

(A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.

(B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.

(C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.

(2) "Homestead" means an individual's principal place of residence:

(A) that is located in Indiana;

(B) that:

(i) the individual owns;

(ii) the individual is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence **and that obligates the owner to convey title to the individual upon completion of all of the individual's contract obligations;**

(iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or

(iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and

(C) that consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Except as provided in subsection (k), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. Except as provided in subsection (p), the deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

(1) the assessment date; or

(2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and



1 make the deduction for the individual or entity qualifying for the
2 deduction.

3 (c) Except as provided in section 40.5 of this chapter, the total
4 amount of the deduction that a person may receive under this section
5 for a particular year is the lesser of:

6 (1) sixty percent (60%) of the assessed value of the real property,
7 mobile home not assessed as real property, or manufactured home
8 not assessed as real property; or

9 (2) forty-five thousand dollars (\$45,000).

10 (d) A person who has sold real property, a mobile home not assessed
11 as real property, or a manufactured home not assessed as real property
12 to another person under a contract that provides that the contract buyer
13 is to pay the property taxes on the real property, mobile home, or
14 manufactured home may not claim the deduction provided under this
15 section with respect to that real property, mobile home, or
16 manufactured home.

17 (e) Except as provided in sections 17.8 and 44 of this chapter and
18 subject to section 45 of this chapter, an individual who desires to claim
19 the deduction provided by this section must file a certified statement in
20 duplicate, on forms prescribed by the department of local government
21 finance, with the auditor of the county in which the homestead is
22 located. The statement must include:

23 (1) the parcel number or key number of the property and the name
24 of the city, town, or township in which the property is located;

25 (2) the name of any other location in which the applicant or the
26 applicant's spouse owns, is buying, or has a beneficial interest in
27 residential real property;

28 (3) the names of:

29 (A) the applicant and the applicant's spouse (if any):

30 (i) as the names appear in the records of the United States
31 Social Security Administration for the purposes of the
32 issuance of a Social Security card and Social Security
33 number; or

34 (ii) that they use as their legal names when they sign their
35 names on legal documents;

36 if the applicant is an individual; or

37 (B) each individual who qualifies property as a homestead
38 under subsection (a)(2)(B) and the individual's spouse (if any):

39 (i) as the names appear in the records of the United States
40 Social Security Administration for the purposes of the
41 issuance of a Social Security card and Social Security
42 number; or



- 1 (ii) that they use as their legal names when they sign their
 2 names on legal documents;
 3 if the applicant is not an individual; and
 4 (4) either:
 5 (A) the last five (5) digits of the applicant's Social Security
 6 number and the last five (5) digits of the Social Security
 7 number of the applicant's spouse (if any); or
 8 (B) if the applicant or the applicant's spouse (if any) does not
 9 have a Social Security number, any of the following for that
 10 individual:
 11 (i) The last five (5) digits of the individual's driver's license
 12 number.
 13 (ii) The last five (5) digits of the individual's state
 14 identification card number.
 15 (iii) If the individual does not have a driver's license or a
 16 state identification card, the last five (5) digits of a control
 17 number that is on a document issued to the individual by the
 18 federal government and determined by the department of
 19 local government finance to be acceptable.

20 If a form or statement provided to the county auditor under this section,
 21 IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or
 22 part or all of the Social Security number of a party or other number
 23 described in subdivision (4)(B) of a party, the telephone number and
 24 the Social Security number or other number described in subdivision
 25 (4)(B) included are confidential. The statement may be filed in person
 26 or by mail. If the statement is mailed, the mailing must be postmarked
 27 on or before the last day for filing. The statement applies for that first
 28 year and any succeeding year for which the deduction is allowed. With
 29 respect to real property, the statement must be completed and dated in
 30 the calendar year for which the person desires to obtain the deduction
 31 and filed with the county auditor on or before January 5 of the
 32 immediately succeeding calendar year. With respect to a mobile home
 33 that is not assessed as real property, the person must file the statement
 34 during the twelve (12) months before March 31 of the year for which
 35 the person desires to obtain the deduction.

36 (f) If an individual who is receiving the deduction provided by this
 37 section or who otherwise qualifies property for a deduction under this
 38 section:

- 39 (1) changes the use of the individual's property so that part or all
 40 of the property no longer qualifies for the deduction under this
 41 section; or
 42 (2) is no longer eligible for a deduction under this section on



1 another parcel of property because:

2 (A) the individual would otherwise receive the benefit of more
3 than one (1) deduction under this chapter; or

4 (B) the individual maintains the individual's principal place of
5 residence with another individual who receives a deduction
6 under this section;

7 the individual must file a certified statement with the auditor of the
8 county, notifying the auditor of the change of use, not more than sixty
9 (60) days after the date of that change. An individual who fails to file
10 the statement required by this subsection is liable for any additional
11 taxes that would have been due on the property if the individual had
12 filed the statement as required by this subsection plus a civil penalty
13 equal to ten percent (10%) of the additional taxes due. The civil penalty
14 imposed under this subsection is in addition to any interest and
15 penalties for a delinquent payment that might otherwise be due. One
16 percent (1%) of the total civil penalty collected under this subsection
17 shall be transferred by the county to the department of local
18 government finance for use by the department in establishing and
19 maintaining the homestead property data base under subsection (i) and,
20 to the extent there is money remaining, for any other purposes of the
21 department. This amount becomes part of the property tax liability for
22 purposes of this article.

23 (g) The department of local government finance shall adopt rules or
24 guidelines concerning the application for a deduction under this
25 section.

26 (h) This subsection does not apply to property in the first year for
27 which a deduction is claimed under this section if the sole reason that
28 a deduction is claimed on other property is that the individual or
29 married couple maintained a principal residence at the other property
30 on March 1 in the same year in which an application for a deduction is
31 filed under this section or, if the application is for a homestead that is
32 assessed as personal property, on March 1 in the immediately
33 preceding year and the individual or married couple is moving the
34 individual's or married couple's principal residence to the property that
35 is the subject of the application. Except as provided in subsection (n),
36 the county auditor may not grant an individual or a married couple a
37 deduction under this section if:

38 (1) the individual or married couple, for the same year, claims the
39 deduction on two (2) or more different applications for the
40 deduction; and

41 (2) the applications claim the deduction for different property.

42 (i) The department of local government finance shall provide secure



1 access to county auditors to a homestead property data base that
 2 includes access to the homestead owner's name and the numbers
 3 required from the homestead owner under subsection (e)(4) for the sole
 4 purpose of verifying whether an owner is wrongly claiming a deduction
 5 under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or
 6 IC 6-3.5.

7 (j) A county auditor may require an individual to provide evidence
 8 proving that the individual's residence is the individual's principal place
 9 of residence as claimed in the certified statement filed under subsection
 10 (e). The county auditor may limit the evidence that an individual is
 11 required to submit to a state income tax return, a valid driver's license,
 12 or a valid voter registration card showing that the residence for which
 13 the deduction is claimed is the individual's principal place of residence.
 14 The department of local government finance shall work with county
 15 auditors to develop procedures to determine whether a property owner
 16 that is claiming a standard deduction or homestead credit is not eligible
 17 for the standard deduction or homestead credit because the property
 18 owner's principal place of residence is outside Indiana.

19 (k) As used in this section, "homestead" includes property that
 20 satisfies each of the following requirements:

21 (1) The property is located in Indiana and consists of a dwelling
 22 and the real estate, not exceeding one (1) acre, that immediately
 23 surrounds that dwelling.

24 (2) The property is the principal place of residence of an
 25 individual.

26 (3) The property is owned by an entity that is not described in
 27 subsection (a)(2)(B).

28 (4) The individual residing on the property is a shareholder,
 29 partner, or member of the entity that owns the property.

30 (5) The property was eligible for the standard deduction under
 31 this section on March 1, 2009.

32 (l) If a county auditor terminates a deduction for property described
 33 in subsection (k) with respect to property taxes that are:

34 (1) imposed for an assessment date in 2009; and

35 (2) first due and payable in 2010;

36 on the grounds that the property is not owned by an entity described in
 37 subsection (a)(2)(B), the county auditor shall reinstate the deduction if
 38 the taxpayer provides proof that the property is eligible for the
 39 deduction in accordance with subsection (k) and that the individual
 40 residing on the property is not claiming the deduction for any other
 41 property.

42 (m) For assessment dates after 2009, the term "homestead" includes:



1 (1) a deck or patio;
 2 (2) a gazebo; or
 3 (3) another residential yard structure, as defined in rules adopted
 4 by the department of local government finance (other than a
 5 swimming pool);
 6 that is assessed as real property and attached to the dwelling.

7 (n) A county auditor shall grant an individual a deduction under this
 8 section regardless of whether the individual and the individual's spouse
 9 claim a deduction on two (2) different applications and each
 10 application claims a deduction for different property if the property
 11 owned by the individual's spouse is located outside Indiana and the
 12 individual files an affidavit with the county auditor containing the
 13 following information:

14 (1) The names of the county and state in which the individual's
 15 spouse claims a deduction substantially similar to the deduction
 16 allowed by this section.

17 (2) A statement made under penalty of perjury that the following
 18 are true:

19 (A) That the individual and the individual's spouse maintain
 20 separate principal places of residence.

21 (B) That neither the individual nor the individual's spouse has
 22 an ownership interest in the other's principal place of
 23 residence.

24 (C) That neither the individual nor the individual's spouse has,
 25 for that same year, claimed a standard or substantially similar
 26 deduction for any property other than the property maintained
 27 as a principal place of residence by the respective individuals.

28 A county auditor may require an individual or an individual's spouse to
 29 provide evidence of the accuracy of the information contained in an
 30 affidavit submitted under this subsection. The evidence required of the
 31 individual or the individual's spouse may include state income tax
 32 returns, excise tax payment information, property tax payment
 33 information, driver license information, and voter registration
 34 information.

35 (o) If:

36 (1) a property owner files a statement under subsection (e) to
 37 claim the deduction provided by this section for a particular
 38 property; and

39 (2) the county auditor receiving the filed statement determines
 40 that the property owner's property is not eligible for the deduction;
 41 the county auditor shall inform the property owner of the county
 42 auditor's determination in writing. If a property owner's property is not



1 eligible for the deduction because the county auditor has determined
 2 that the property is not the property owner's principal place of
 3 residence, the property owner may appeal the county auditor's
 4 determination to the county property tax assessment board of appeals
 5 as provided in IC 6-1.1-15. The county auditor shall inform the
 6 property owner of the owner's right to appeal to the county property tax
 7 assessment board of appeals when the county auditor informs the
 8 property owner of the county auditor's determination under this
 9 subsection.

10 (p) An individual is entitled to the deduction under this section for
 11 a homestead for a particular assessment date if:

12 (1) either:

13 (A) the individual's interest in the homestead as described in
 14 subsection (a)(2)(B) is conveyed to the individual after the
 15 assessment date, but within the calendar year in which the
 16 assessment date occurs; or

17 (B) the individual contracts to purchase the homestead after
 18 the assessment date, but within the calendar year in which the
 19 assessment date occurs;

20 (2) on the assessment date:

21 (A) the property on which the homestead is currently located
 22 was vacant land; or

23 (B) the construction of the dwelling that constitutes the
 24 homestead was not completed;

25 (3) either:

26 (A) the individual files the certified statement required by
 27 subsection (e) on or before December 31 of the calendar year
 28 in which the assessment date occurs to claim the deduction
 29 under this section; or

30 (B) a sales disclosure form that meets the requirements of
 31 section 44 of this chapter is submitted to the county assessor
 32 on or before December 31 of the calendar year for the
 33 individual's purchase of the homestead; and

34 (4) the individual files with the county auditor on or before
 35 December 31 of the calendar year in which the assessment date
 36 occurs a statement that:

37 (A) lists any other property for which the individual would
 38 otherwise receive a deduction under this section for the
 39 assessment date; and

40 (B) cancels the deduction described in clause (A) for that
 41 property.

42 An individual who satisfies the requirements of subdivisions (1)



through (4) is entitled to the deduction under this section for the homestead for the assessment date, even if on the assessment date the property on which the homestead is currently located was vacant land or the construction of the dwelling that constitutes the homestead was not completed. The county auditor shall apply the deduction for the assessment date and for the assessment date in any later year in which the homestead remains eligible for the deduction. A homestead that qualifies for the deduction under this section as provided in this subsection is considered a homestead for purposes of section 37.5 of this chapter and IC 6-1.1-20.6. The county auditor shall cancel the deduction under this section for any property that is located in the county and is listed on the statement filed by the individual under subdivision (4). If the property listed on the statement filed under subdivision (4) is located in another county, the county auditor who receives the statement shall forward the statement to the county auditor of that other county, and the county auditor of that other county shall cancel the deduction under this section for that property.

(q) This subsection applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013. Notwithstanding any other provision of this section, an individual buying a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property under a contract providing that the individual is to pay the property taxes on the mobile home or manufactured home is not entitled to the deduction provided by this section unless the parties to the contract comply with IC 9-17-6-17.

(r) This subsection:

(1) applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013; and

(2) does not apply to an individual described in subsection (q).

The owner of a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property must attach a copy of the owner's title to the mobile home or manufactured home to the application for the deduction provided by this section.

(s) For assessment dates after 2013, the term "homestead" includes property that is owned by an individual who:

(1) is serving on active duty in any branch of the armed forces of the United States;

(2) was ordered to transfer to a location outside Indiana; and

(3) was otherwise eligible, without regard to this subsection, for the deduction under this section for the property for the



assessment date immediately preceding the transfer date specified in the order described in subdivision (2).

For property to qualify under this subsection for the deduction provided by this section, the individual described in subdivisions (1) through (3) must submit to the county auditor a copy of the individual's transfer orders or other information sufficient to show that the individual was ordered to transfer to a location outside Indiana. The property continues to qualify for the deduction provided by this section until the individual ceases to be on active duty, the property is sold, or the individual's ownership interest is otherwise terminated, whichever occurs first. Notwithstanding subsection (a)(2), the property remains a homestead regardless of whether the property continues to be the individual's principal place of residence after the individual transfers to a location outside Indiana. However, the property ceases to qualify as a homestead under this subsection if the property is leased while the individual is away from Indiana. Property that qualifies as a homestead under this subsection shall also be construed as a homestead for purposes of section 37.5 of this chapter.

SECTION 12. IC 6-1.1-15-1, AS AMENDED BY P.L.257-2013, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) A taxpayer may obtain a review by the county board of a county or township official's action with respect to either or both of the following:

- (1) The assessment of the taxpayer's tangible property.
- (2) A deduction for which a review under this section is authorized by any of the following:
 - (A) IC 6-1.1-12-25.5.
 - (B) IC 6-1.1-12-28.5.
 - (C) IC 6-1.1-12-35.5.
 - (D) IC 6-1.1-12.1-5.
 - (E) IC 6-1.1-12.1-5.3.
 - (F) IC 6-1.1-12.1-5.4.

(b) At the time that notice of an action referred to in subsection (a) is given to the taxpayer, the taxpayer shall also be informed in writing of:

- (1) the opportunity for a review under this section, including a preliminary informal meeting under subsection (h)(2) with the county or township official referred to in this subsection; and
- (2) the procedures the taxpayer must follow in order to obtain a review under this section.

(c) In order to obtain a review of an assessment or deduction effective for the assessment date to which the notice referred to in



1 subsection (b) applies, the taxpayer must file a notice in writing with
 2 the county or township official referred to in subsection (a) not later
 3 than forty-five (45) days after the date of the notice referred to in
 4 subsection (b).

5 (d) A taxpayer may obtain a review by the county board of the
 6 assessment of the taxpayer's tangible property effective for an
 7 assessment date for which a notice of assessment is not given as
 8 described in subsection (b). To obtain the review, the taxpayer must file
 9 a notice in writing with the township assessor, or the county assessor
 10 if the township is not served by a township assessor. The right of a
 11 taxpayer to obtain a review under this subsection for an assessment
 12 date for which a notice of assessment is not given does not relieve an
 13 assessing official of the duty to provide the taxpayer with the notice of
 14 assessment as otherwise required by this article. The notice to obtain
 15 a review must be filed not later than the later of:

- 16 (1) May 10 of the year; or
- 17 (2) forty-five (45) days after the date of the tax statement mailed
- 18 by the county treasurer, regardless of whether the assessing
- 19 official changes the taxpayer's assessment.

20 (e) A change in an assessment made as a result of a notice for
 21 review filed by a taxpayer under subsection (d) after the time
 22 prescribed in subsection (d) becomes effective for the next assessment
 23 date. A change in an assessment made as a result of a notice for review
 24 filed by a taxpayer under subsection (c) or (d) remains in effect from
 25 the assessment date for which the change is made until the next
 26 assessment date for which the assessment is changed under this article.

27 (f) The written notice filed by a taxpayer under subsection (c) or (d)
 28 must include the following information:

- 29 (1) The name of the taxpayer.
- 30 (2) The address and parcel or key number of the property.
- 31 (3) The address and telephone number of the taxpayer.

32 (g) The filing of a notice under subsection (c) or (d):

- 33 (1) initiates a review under this section; and
- 34 (2) constitutes a request by the taxpayer for a preliminary
- 35 informal meeting with the official referred to in subsection (a).

36 (h) A county or township official who receives a notice for review
 37 filed by a taxpayer under subsection (c) or (d) shall:

- 38 (1) immediately forward the notice to the county board; and
- 39 (2) attempt to hold a preliminary informal meeting with the
- 40 taxpayer to resolve as many issues as possible by:

- 41 (A) discussing the specifics of the taxpayer's assessment or
- 42 deduction;



- 1 (B) reviewing the taxpayer's property record card;
- 2 (C) explaining to the taxpayer how the assessment or
- 3 deduction was determined;
- 4 (D) providing to the taxpayer information about the statutes,
- 5 rules, and guidelines that govern the determination of the
- 6 assessment or deduction;
- 7 (E) noting and considering objections of the taxpayer;
- 8 (F) considering all errors alleged by the taxpayer; and
- 9 (G) otherwise educating the taxpayer about:
 - 10 (i) the taxpayer's assessment or deduction;
 - 11 (ii) the assessment or deduction process; and
 - 12 (iii) the assessment or deduction appeal process.
- 13 (i) Not later than ten (10) days after the informal preliminary
- 14 meeting, the official referred to in subsection (a) shall forward to the
- 15 county auditor and the county board the results of the conference on a
- 16 form prescribed by the department of local government finance that
- 17 must be completed and signed by the taxpayer and the official. **The**
- 18 **official referred to in subsection (a) must attest on the form that**
- 19 **the official described to the taxpayer the taxpayer's right to a**
- 20 **review of the issues by the county board under this chapter and the**
- 21 **taxpayer's right to appeal to the Indiana board of tax review and**
- 22 **to the Indiana tax court.** The form must indicate the following:
 - 23 (1) If the taxpayer and the official agree on the resolution of all
 - 24 assessment or deduction issues in the review, a statement of:
 - 25 (A) those issues; and
 - 26 (B) the assessed value of the tangible property or the amount
 - 27 of the deduction that results from the resolution of those issues
 - 28 in the manner agreed to by the taxpayer and the official.
 - 29 (2) If the taxpayer and the official do not agree on the resolution
 - 30 of all assessment or deduction issues in the review:
 - 31 (A) a statement of those issues; and
 - 32 (B) the identification of:
 - 33 (i) the issues on which the taxpayer and the official agree;
 - 34 and
 - 35 (ii) the issues on which the taxpayer and the official
 - 36 disagree.
 - 37 (j) If the county board receives a form referred to in subsection
 - 38 (i)(1) before the hearing scheduled under subsection (k):
 - 39 (1) the county board shall cancel the hearing;
 - 40 (2) the county official referred to in subsection (a) shall give
 - 41 notice to the taxpayer, the county board, the county assessor, and
 - 42 the county auditor of the assessment or deduction in the amount



referred to in subsection (i)(1)(B); and

(3) if the matter in issue is the assessment of tangible property, the county board may reserve the right to change the assessment under IC 6-1.1-13.

(k) If:

(1) subsection (i)(2) applies; or

(2) the county board does not receive a form referred to in subsection (i) not later than one hundred twenty (120) days after the date of the notice for review filed by the taxpayer under subsection (c) or (d);

the county board shall hold a hearing on a review under this subsection not later than one hundred eighty (180) days after the date of that notice. The county board shall, by mail, give at least thirty (30) days notice of the date, time, and place fixed for the hearing to the taxpayer and the county or township official with whom the taxpayer filed the notice for review. The taxpayer and the county or township official with whom the taxpayer filed the notice for review are parties to the proceeding before the county board. A taxpayer may request a continuance of the hearing by filing, at least twenty (20) days before the hearing date, a request for continuance with the board and the county or township official with evidence supporting a just cause for the continuance. The board shall, not later than ten (10) days after the date the request for a continuance is filed, either find that the taxpayer has demonstrated a just cause for a continuance and grant the taxpayer the continuance, or deny the continuance. A taxpayer may request that the board take action without the taxpayer being present and that the board make a decision based on the evidence already submitted to the board by filing, at least eight (8) days before the hearing date, a request with the board and the county or township official. A taxpayer may withdraw a petition by filing, at least eight (8) days before the hearing date, a notice of withdrawal with the board and the county or township official.

(l) At the hearing required under subsection (k):

(1) the taxpayer may present the taxpayer's reasons for disagreement with the assessment or deduction; and

(2) the county or township official with whom the taxpayer filed the notice for review must present:

(A) the basis for the assessment or deduction decision; and

(B) the reasons the taxpayer's contentions should be denied.

A penalty of fifty dollars (\$50) shall be assessed against the taxpayer if the taxpayer or representative fails to appear at the hearing and, under subsection (k), the taxpayer's request for continuance is denied,



or the taxpayer's request for continuance, request for the board to take action without the taxpayer being present, or withdrawal is not timely filed. A taxpayer may appeal the assessment of the penalty to the Indiana board or directly to the tax court. The penalty may not be added as an amount owed on the property tax statement under IC 6-1.1-22 or IC 6-1.1-22.5.

(m) The official referred to in subsection (a) may not require the taxpayer to provide documentary evidence at the preliminary informal meeting under subsection (h). The county board may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (k). If the action for which a taxpayer seeks review under this section is the assessment of tangible property, the taxpayer is not required to have an appraisal of the property in order to do the following:

(1) Initiate the review.

(2) Prosecute the review.

(n) The county board shall prepare a written decision resolving all of the issues under review. The county board shall, by mail, give notice of its determination not later than one hundred twenty (120) days after the hearing under subsection (k) to the taxpayer, the official referred to in subsection (a), the county assessor, and the county auditor.

(o) If the maximum time elapses:

(1) under subsection (k) for the county board to hold a hearing; or

(2) under subsection (n) for the county board to give notice of its determination;

the taxpayer may initiate a proceeding for review before the Indiana board by taking the action required by section 3 of this chapter at any time after the maximum time elapses.

SECTION 13. IC 6-1.1-15-17.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: **Sec. 17.1. In the case of a change occurring after February 28, 2015, in the classification of real property, the county assessor or township assessor making the change in the classification has the burden of proving that the change in the classification is correct in any review or appeal under this chapter and in any appeals taken to the Indiana board of tax review or to the Indiana tax court.**

SECTION 14. IC 6-1.1-18.5-22.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 22.3. (a) This section applies only to Brown County due to unique circumstances regarding the approval of budgets and the resulting property tax levies for**



1 various county funds in 2013 through 2014.

2 (b) If the county fiscal body adopts an ordinance before October
3 1, 2015, to impose a property tax levy in 2016 and in 2017 under
4 this section, the department shall permit the county to impose the
5 levy in each of those years. The property tax levy:

6 (1) is not subject to the maximum permissible ad valorem
7 property tax levy limits otherwise applicable to the county
8 under this chapter; and

9 (2) may not be considered in calculating the maximum
10 permissible ad valorem property tax levy limits otherwise
11 applicable to the county under this chapter.

12 (c) The amount of the property tax levy that may be imposed by
13 the county each year under this section in 2016 and in 2017 is four
14 hundred seventy-eight thousand one hundred fifteen dollars
15 (\$478,115) in each of those years.

16 (d) The money received from a property tax levy under this
17 section must be deposited in a separate fund. The money in the
18 fund may be used by the county only to make transfers to the
19 county funds that were affected in 2013 through 2014 by the
20 unique circumstances regarding the approval of budgets and the
21 resulting property tax levies, in the amounts determined to be
22 appropriate by the department.

23 (e) This section expires June 30, 2020.

24 SECTION 15. IC 6-1.1-18.5-23.2 IS ADDED TO THE INDIANA
25 CODE AS A NEW SECTION TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2015]: Sec. 23.2. (a) This section applies to
27 the following townships in Hancock County:

28 (1) Brown Township.

29 (2) Jackson Township.

30 (3) Blue River Township.

31 (b) The executive of a township listed in subsection (a) may,
32 after approval by the fiscal body of the township, submit a petition
33 to the department of local government finance requesting an
34 increase in the maximum permissible ad valorem property tax levy
35 for the township's general fund.

36 (c) If the executive of a township submits a petition under
37 subsection (b), the department of local government finance shall
38 increase the maximum permissible ad valorem property tax levy
39 for the township's general fund for property taxes first due and
40 payable after December 31, 2015, by an amount equal to the lesser
41 of the following:

42 (1) Twenty-five thousand dollars (\$25,000).



(2) The sum of the following:

(A) The amount necessary to make the maximum permissible ad valorem property tax levy for the township's general fund equal to the maximum permissible ad valorem property tax levy that would have applied to the township's general fund under section 3 of this chapter for property taxes first due and payable after December 31, 2015, if in each year, beginning in 2003 and ending in 2015, the township had imposed the maximum permissible ad valorem property tax levy for the township's general fund in each of those years (regardless of whether the township did impose the entire amount of the maximum permissible ad valorem property tax levy for the township's general fund).

(B) The amount necessary to make the maximum permissible ad valorem property tax levy under section 3 of this chapter for the township's firefighting fund under IC 36-8-13 equal to the maximum permissible ad valorem property tax levy under section 3 of this chapter that would have applied to the township's firefighting fund for property taxes first due and payable after December 31, 2015, if in each year, beginning in 2003 and ending in 2015, the township had imposed the maximum permissible ad valorem property tax levy for the township's firefighting fund in each of those years (regardless of whether the township did impose the entire amount of the maximum permissible ad valorem property tax levy for the township's firefighting fund).

SECTION 16. IC 6-1.1-36-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 18. (a) As used in this section, "local agency" has the meaning set forth in IC 4-6-3-1.

(b) As used in this section, "tax liability" includes liability for special assessments and refers to liability for property taxes after the application of all allowed deductions and credits. The term does not include any property taxes that a person is not required to pay under IC 6-1.1-15-10 with respect to a pending review of an assessment or an increase in assessment under IC 6-1.1-15.

(c) The fiscal body of a county may adopt an ordinance to allow the county, political subdivisions within the county, and local agencies within the county to:

(1) apply section 19 of this chapter to the consideration of an



1 application for a property tax exemption, a property tax
 2 deduction, a zoning change or zoning variance, a building
 3 permit, or any other locally issued license or permit; and
 4 (2) use a uniform property tax disclosure form for purposes
 5 of section 19 of this chapter.

6 (d) If the fiscal body of a county adopts an ordinance under this
 7 section, the fiscal body shall prescribe the uniform property tax
 8 disclosure form used within the county. The state board of
 9 accounts and the department of local government finance shall
 10 provide assistance to a fiscal body in prescribing the form upon the
 11 request of the fiscal body. The form must require the disclosure of
 12 the following information from a person applying for a property
 13 tax exemption, a property tax deduction, a zoning change or zoning
 14 variance, a building permit, or any other locally issued license or
 15 permit:

16 (1) A description of each parcel of real property located in the
 17 county that is owned by the person.

18 (2) A verified statement, made under penalties of perjury,
 19 listing the following concerning each parcel of real property
 20 disclosed under subdivision (1):

21 (A) The parcels for which the person is current on the tax
 22 liability, if any.

23 (B) The parcels for which the person has a delinquent tax
 24 liability, if any.

25 (3) Any other information necessary for the county, a political
 26 subdivision within the county, or a local agency within the
 27 county to determine whether the person has a delinquent tax
 28 liability on real property located in the county.

29 SECTION 17. IC 6-1.1-36-19 IS ADDED TO THE INDIANA
 30 CODE AS A NEW SECTION TO READ AS FOLLOWS
 31 [EFFECTIVE JULY 1, 2015]: Sec. 19. (a) This section applies to the
 32 following:

33 (1) A county in which the county fiscal body adopts an
 34 ordinance under section 18 of this chapter.

35 (2) A political subdivision or local agency located in a county
 36 described in subdivision (1).

37 (b) As used in this section, "local agency" has the meaning set
 38 forth in IC 4-6-3-1.

39 (c) As used in this section, "tax liability" includes liability for
 40 special assessments and refers to liability for property taxes after
 41 the application of all allowed deductions and credits. The term does
 42 not include any property taxes that a person is not required to pay



under IC 6-1.1-15-10 with respect to a pending review of an assessment or an increase in assessment under IC 6-1.1-15.

(d) A county, a political subdivision within the county, or a local agency within the county may require a person applying for a property tax exemption, a property tax deduction, a zoning change or zoning variance, a building permit, or any other locally issued license or permit to submit a uniform property tax disclosure form prescribed under section 18 of this chapter with the person's application for the property tax exemption, property tax deduction, zoning change or zoning variance, building permit, or any other locally issued license or permit.

(e) A county, a political subdivision within the county, or a local agency within the county may include any of the following policies in the process of approving a person's application for a property tax exemption, a property tax deduction, a zoning change or zoning variance, a building permit, or any other locally issued license or permit:

(1) A policy of requiring for each parcel of real property owned by the person and located in the county proof that the person is current on the parcel's tax liability before approving the application.

(2) A policy of requiring a person who has disclosed a delinquent property tax liability on real property located in the county to enter an agreement with the county treasurer establishing a payment schedule to pay in full the delinquent tax liability as a condition of approving the application.

(3) A policy of refusing to approve an application until a person has paid in full any delinquent tax liability on real property located in the county that has been:

(A) disclosed under subsection (d) on the person's uniform property tax disclosure form; or

(B) otherwise identified by the county, a political subdivision within the county, or a local agency within the county.

(f) For purposes of subsection (e), a person may submit copies of the person's property tax receipts or other documentation approved by the county, a political subdivision within the county, or local agency within the county as proof that the person is current on the tax liability for each parcel of real property owned by the person in the county.

SECTION 18. IC 6-1.1-37-7, AS AMENDED BY P.L.80-2014, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2015]: Sec. 7. (a) If a person fails to file a required personal property return on or before the due date, the county auditor shall add a penalty of twenty-five dollars (\$25) to the person's next property tax installment. The county auditor shall also add an additional penalty to the taxes payable by the person if the person fails to file the personal property return within thirty (30) days after the due date. The amount of the additional penalty is twenty percent (20%) of the taxes finally determined to be due with respect to the personal property which should have been reported on the return.

(b) For purposes of this section, a personal property return is not due until the expiration of any extension period granted by the township or county assessor under IC 6-1.1-3-7(b).

(c) The penalties prescribed under this section do not apply to an individual or the individual's dependents if the individual:

(1) is in the military or naval forces of the United States on the assessment date; and

(2) is covered by the federal Soldiers' and Sailors' Civil Relief Act.

(d) If a person subject to ~~IC 6-1.1-3-7(d)~~ **IC 6-1.1-3-7(c)** fails to include on a personal property return the information, if any, that the department of local government finance requires under IC 6-1.1-3-9 or IC 6-1.1-5-13, the county auditor shall add a penalty to the property tax installment next due for the return. The amount of the penalty is twenty-five dollars (\$25).

(e) If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation. The penalty shall be added to the property tax installment next due for the return on which the property was undervalued. If a person has complied with all of the requirements for claiming a deduction, an exemption, or an adjustment for abnormal obsolescence, then the increase in assessed value that results from a denial of the deduction, exemption, or adjustment for abnormal obsolescence is not considered to result from an undervaluation for purposes of this subsection.

(f) If a person required by IC 6-1.1-3-7.2(k) to file an annual certification with the county assessor fails to timely file the annual certification, the county auditor shall impose a penalty of twenty-five dollars (\$25) that must be paid by the person with the next property tax



installment that is collected.

(g) A penalty is due with an installment under subsection (a), (d), (e), or (f) whether or not an appeal is filed under IC 6-1.1-15-5 with respect to the tax due on that installment.

SECTION 19. IC 6-1.5-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) A state agency to be known as the Indiana board of tax review is established. The Indiana board is composed of three (3) lay members. **An individual must hold the certification of a level two assessor-appraiser under IC 6-1.1-35.5 to be a member of the Indiana board after December 31, 2016.** The governor shall appoint the members of the Indiana board. The members of the Indiana board shall elect the chairperson of the board.

(b) Two (2) members of the Indiana board must be members of one (1) major political party, and one (1) member of the board must be a member of the other major political party.

(c) Except as provided in ~~subsections~~ **subsection** (d), ~~and (e)~~; the term of office of an Indiana board member is four (4) years.

~~(d) The initial terms of office of the Indiana board are as follows:~~

~~(1) For one (1) board member, one (1) year.~~

~~(2) For one (1) board member, two (2) years.~~

~~(3) For one (1) board member, three (3) years.~~

~~(e)~~ (d) An Indiana board member appointed to fill a vacancy shall serve for the unexpired term of the member's predecessor.

~~(f)~~ (e) Any two (2) members of the Indiana board constitute a quorum for the transaction of business. Action may be taken by the Indiana board only upon the vote of a majority of the whole board.

SECTION 20. IC 6-1.5-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 1.5. (a) This section applies to an individual who is a member of the Indiana board on December 31, 2016.**

(b) If the individual has not obtained the certification of a level two assessor-appraiser under IC 6-1.1-35.5, on January 1, 2017, the individual forfeits membership on the Indiana board and the position shall be treated as a vacancy.

(c) This section expires June 30, 2017.

SECTION 21. IC 6-1.1-37-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) This section applies to any refund for a property resulting from a real property tax assessment appeal for the property for the 2014 assessment date or**



1 any prior assessment date. This section does not apply if any
 2 refund for a property under appeal has been paid before May 1,
 3 2015. Except as modified by this section, all other provisions of
 4 IC 6-1.1 apply regarding the payment of refunds and application
 5 of credits.

6 (b) If upon the conclusion of a real property tax assessment
 7 appeal, the total amount of property taxes owed to the taxpayer as
 8 a result of the appeal is one hundred thousand dollars (\$100,000)
 9 or more for the assessment dates under appeal, the auditor of the
 10 county in which the property is located may, instead of a refund,
 11 elect to apply credits in equal installments to future property tax
 12 installments for the property over a period of not more than five
 13 (5) years following the date of the conclusion of the assessment
 14 appeal. The auditor may elect to accelerate credits or to provide a
 15 full or partial refund within the five (5) year period.

16 (c) This section expires December 31, 2019.

17 SECTION 22. IC 36-7-32-22 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 22. (a) The treasurer of
 19 state shall establish an incremental tax financing fund for each certified
 20 technology park designated under this chapter. The fund shall be
 21 administered by the treasurer of state. Money in the fund does not
 22 revert to the state general fund at the end of a state fiscal year.

23 (b) Subject to ~~subsection~~ **subsections (c) and (e)**, the following
 24 amounts shall be deposited during each state fiscal year in the
 25 incremental tax financing fund established for a certified technology
 26 park under subsection (a):

27 (1) The aggregate amount of state gross retail and use taxes that
 28 are remitted under IC 6-2.5 by businesses operating in the
 29 certified technology park, until the amount of state gross retail
 30 and use taxes deposited equals the gross retail incremental
 31 amount for the certified technology park.

32 (2) The aggregate amount of the following taxes paid by
 33 employees employed in the certified technology park with respect
 34 to wages earned for work in the certified technology park, until
 35 the amount deposited equals the income tax incremental amount:

36 (A) The adjusted gross income tax.

37 (B) The county adjusted gross income tax.

38 (C) The county option income tax.

39 (D) The county economic development income tax.

40 (3) The amount, if any, determined by the Indiana economic
 41 development corporation under subsection (e) at the time of
 42 the recertification of the certified technology park.



(c) Except as provided in subsections (d) and (e), not more than a total of five million dollars (\$5,000,000) may be deposited in a particular incremental tax financing fund for a certified technology park over the life of the certified technology park.

(d) In the case of a certified technology park that is operating under a written agreement entered into by two (2) or more redevelopment commissions, and subject to section 26(b)(4) of this chapter:

(1) not more than a total of five million dollars (\$5,000,000) may be deposited over the life of the certified technology park in the incremental tax financing fund of each redevelopment commission participating in the operation of the certified technology park;

(2) the total amount that may be deposited in all incremental tax financing funds over the life of the certified technology park, in aggregate, may not exceed the result of:

(A) five million dollars (\$5,000,000); multiplied by

(B) the number of redevelopment commissions that have entered into a written agreement for the operation of the certified technology park; and

(3) the state adjusted gross income tax revenue that would be deposited in a redevelopment commission's incremental tax financing fund if the deposits to the fund had not reached the maximum amount allowed under this section shall instead be deposited in equal amounts in the incremental tax financing funds of the other redevelopment commissions that operate the certified technology park.

(e) If the criteria set forth in subsection (f) are satisfied, as determined by the Indiana economic development corporation, deposits in the incremental tax financing fund shall continue. However, the amount of additional deposits in the fund may not exceed one million dollars (\$1,000,000) during any four (4) year period following the certified technology park's most recent recertification.

(f) Before revenue may be deposited in the incremental tax financing fund under subsection (e), the certified technology park must demonstrate the following at the time of its recertification:

(1) That the certified technology park has received at least five million dollars (\$5,000,000) from deposits in the incremental tax financing fund under subsection (b)(1) and (b)(2).

(2) That the certified technology park demonstrates success



over the four (4) year period immediately preceding the recertification in at least five (5) of the following categories:

(A) That the certified technology park has made significant successes in research and technology commercialization activity as demonstrated by extramural funding awards, invention disclosures, patent applications and awards, or intellectual property licenses.

(B) That the certified technology park employs a professional technology commercialization or dedicated business incubator staff with proven success with start up companies as demonstrated by continued growth and development of these start up companies.

(C) That the local option income tax revenue deposited in the certified technology park incremental tax financing fund during the most recent certification period was at least the amount of the local option income tax revenue deposited in the fund during the certification period preceding the most recent certification period.

(D) That the certified technology park maintains a system of record keeping and data driven best practices.

(E) That clients using the services of the certified technology park pay wage rates averaging at least ten percent (10%) more than the average per capita wage rates in the county in which the certified technology park is located.

(F) That the certified technology park contracts with fifteen (15) or more client companies that are located in the park and each of these companies is involved in at least one (1) high technology activity.

(G) That the certified technology park can demonstrate growth in the number of full-time employees within the certified technology park over the four (4) year period.

(H) That the certified technology park can demonstrate growth in the number of incubated companies that increase full-time employment by at least thirty percent (30%) during the period of incubation.

(I) That the certified technology park can demonstrate growth in early stage client revenue while located within the certified technology park.

(g) On or before the twentieth day of each month, all amounts held in the incremental tax financing fund established for a certified technology park shall be distributed to the redevelopment commission



for deposit in the certified technology park fund established under section 23 of this chapter.

SECTION 23. IC 36-7-32-26, AS ADDED BY P.L.203-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 26. (a) Two (2) or more redevelopment commissions may enter into a written agreement under this section to jointly undertake economic development projects in the certified technology parks established by the redevelopment commissions that are parties to the agreement.

(b) A party to an agreement under this section may do one (1) or more of the following:

(1) Except as provided in subsection (c), grant one (1) or more of its powers to another party to the agreement.

(2) Exercise any power granted to it by a party to the agreement.

(3) Pledge any of its revenues, including taxes or allocated taxes under section 17 of this chapter, to the bonds or lease rental obligations of another party to the agreement under IC 5-1-14-4.

(4) Agree to allocate deposits covered by section 22(d)(3) of this chapter in a different amount than required by section 22(d)(3) of this chapter.

(c) A redevelopment commission may not grant to another redevelopment commission the power to tax or to establish an allocation area under this chapter.

(d) An action to challenge the validity of an agreement under this section must be brought not more than thirty (30) days after the agreement has been approved by all the parties to the agreement. After that period has passed, the agreement is not contestable for any cause.

SECTION 24. IC 36-8-19-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 16. (a) The department of local government finance shall review the tax rates and levies for each fire protection territory that has a uniform tax rate throughout the territory. The department shall complete its review of all territories before July 1, 2017.**

(b) The department of local government finance shall consider adjusting the tax levies for the participating units and whether different tax rates for fire protection services should be applied for the participating units included within the territory. In conducting its review, the department of local government finance shall consider the following factors and discuss the factors with each participating unit in the territory:

(1) The population and change in population of each unit in



the territory.

(2) The assessed valuation and change of assessed valuation of real property in each unit in the territory.

(3) The cost of providing fire service to each unit in the territory.

(4) Comparisons to other jurisdictions providing similar fire service.

(5) Previous tax rates and levies for fire protection.

(6) Future needs and planned or expected expenses for fire service.

(7) Other factors as determined by the department.

(c) Adjustments, if any, made under this section shall be applied to levies and rates beginning in 2017.

SECTION 25. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to request the appropriate study committee to study during the 2015 legislative interim the issue of alternative means of agricultural land assessment.

(b) This SECTION expires January 1, 2016.

SECTION 26. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to request the appropriate study committee to study during the 2015 legislative interim the methods used to determine the true tax value for nonincome producing commercial property.

(b) This SECTION expires January 1, 2016.

SECTION 27. [EFFECTIVE JULY 1, 2015] (a) IC 6-1.1-3-1, IC 6-1.1-3-7, IC 6-1.1-3-10, and IC 6-1.1-37-7, all as amended by this act, apply to assessment dates after December 31, 2015.

(b) This SECTION expires January 1, 2019.

SECTION 28. [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)] (a) IC 6-1.1-4-13, as amended by this act, applies to assessment dates after February 28, 2015.

(b) This SECTION expires January 1, 2019.

SECTION 29. An emergency is declared for this act.



COMMITTEE REPORT

Madam President: The Senate Committee on Tax and Fiscal Policy, to which was referred Senate Bill No. 436, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 5, delete lines 34 through 42.

Page 6, delete lines 1 through 22.

Page 6, line 42, delete "or".

Page 7, line 3, after "guidelines;" insert "or

(4) land devoted to the harvesting of hardwood timber;".

Page 7, line 4, after "use." insert "**Agricultural use for purposes of this section includes but is not limited to the uses included in the definition of "agricultural use" in IC 36-7-4-616(b), such as the production of livestock or livestock products, commercial aquaculture, equine or equine products, land designated as a conservation reserve plan, pastureland, poultry or poultry products, horticultural or nursery stock, fruit, vegetables, forage, grains, timber, trees, bees and apiary products, tobacco, other agricultural crops, general farming operation purposes, native lands, or land that lays fallow. Agricultural use may not be determined by the size of a parcel or size of a part of the parcel. This subsection does not affect the assessment of any real property assessed under IC 6-1.1-6 (assessment of certain forest lands), IC 6-1.1-6.2 (assessment of certain windbreaks), or IC 6-1.1-6.7 (assessment of filter strips).**".

Page 7, after line 42, begin a new paragraph and insert:

"SECTION 7. IC 6-1.1-4-43 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: **Sec. 43. (a) Except as otherwise provided, this section applies to the following:**

(1) Real property assessed on the March 1, 2015, assessment date and assessment dates thereafter.

(2) Real property assessed on assessment dates preceding the March 1, 2015, assessment date, if an administrative appeal or judicial proceeding concerning the assessment is pending on March 1, 2015, regardless of whether a hearing or oral argument has been held in the administrative appeal or judicial proceeding.

(b) The valuation requirements in this section do not apply to property that is assessed as provided in any of the following:

(1) IC 6-1.1-4-39.

(2) IC 6-1.1-4-39.5.

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(3) IC 6-1.1-4-40 and IC 6-1.1-4-41.

(4) IC 6-1.1-4-42.

(5) IC 6-1.1-8.5.

(6) IC 6-1.1-8.7.

(c) The valuation requirements in this section do not apply to the assessment of real property after the real property is sold in an arm's length sale transaction. An arm's length sale transaction does not include a transaction in which the original owner or the initial intended user of the real property, or both the original owner and the initial intended user, remain affiliated with the property as an owner of any percentage interest or as a tenant.

(d) As used in this section, "chain stores" means a group of similar establishments that:

- (1) have similar architecture, store design, and choice of product or service using standardized business methods and practices that are spread statewide, nationwide, or worldwide; and**
- (2) have a central headquarters or are operated under franchise contracts.**

(e) As used in this section, "sale-leaseback" means a transaction in which one (1) party sells a property to a buyer, and the buyer leases the property back to the seller.

(f) As used in this section, "special purpose property" means a property that meets the following conditions:

(1) The property has one (1) or more of the following characteristics:

(A) A unique physical design that enhances the utility to the person for whom the structure is built, either the owner-occupant or tenant of the property.

(B) Special construction materials that enhance the utility to the person for whom the structure is built, either the owner-occupant or tenant of the property.

(C) A layout that enhances the utility to the person for whom the structure is built, either the owner-occupant or tenant of the property.

(2) The utility of the structure to the first owner-occupant or tenant is significantly higher than the utility that is passed on to the secondary market, because of the willingness of the first owner-occupant or tenant to incur the costs of land acquisition or improvement construction.

The term includes buildings of fifty thousand (50,000) square feet or more (commonly referred to as big box stores), fast food



restaurant chain properties, national retail drugstores, movie theaters, home improvement chain stores, dining lounge chain properties, industrial properties, banks, fitness club properties, and chain stores.

(g) Under its authority to provide for a system of assessment and taxation characterized by uniformity, equality, and just valuation based on property wealth, the general assembly finds that the market value-in-use of special purpose properties and sale-leaseback properties shall be determined as provided in this section. The market value-in-use of special purpose properties and sale-leaseback properties is equal to the value derived from applying the cost approach. Land value used for purposes of this subsection is equal to the amount paid for the land, with the only adjustments being the annual adjustments under section 4.5 of this chapter. Improvement value used for purposes of this subsection is the cost of improvements as specified in the property owner's books and records, less depreciation, for federal tax purposes. Further evidence of the actual cost includes construction costs, including all direct and indirect expenses, such as costs of all improvements, management fees, site improvements, architect fees, labor, builder overhead, and similar costs. Upon written request, the owner or occupant of the property must provide information concerning actual construction costs and federal tax schedules to the county assessor in order for the appeals process provided for in IC 6-1.1-15 to proceed.

SECTION 8. IC 6-1.1-10-16.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16.8. (a) This section applies to a dwelling or other building that is situated in a special flood hazard area as designated by the Federal Emergency Management Agency in which the mandatory purchase of flood insurance applies.

(b) The basement of a dwelling or other building described in subsection (a) is exempt from property taxation if:

- (1) the basement floor level has been elevated to mitigate the risk of flooding; and
- (2) as a result, the basement is rendered unusable as living space.

SECTION 9. IC 6-1.1-12-37, AS AMENDED BY P.L.166-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37. (a) The following definitions apply throughout this section:



- (1) "Dwelling" means any of the following:
 - (A) Residential real property improvements that an individual uses as the individual's residence, including a house or garage.
 - (B) A mobile home that is not assessed as real property that an individual uses as the individual's residence.
 - (C) A manufactured home that is not assessed as real property that an individual uses as the individual's residence.
- (2) "Homestead" means an individual's principal place of residence:
 - (A) that is located in Indiana;
 - (B) that:
 - (i) the individual owns;
 - (ii) the individual is buying under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence **and that obligates the owner to convey title to the individual upon completion of all of the individual's contract obligations;**
 - (iii) the individual is entitled to occupy as a tenant-stockholder (as defined in 26 U.S.C. 216) of a cooperative housing corporation (as defined in 26 U.S.C. 216); or
 - (iv) is a residence described in section 17.9 of this chapter that is owned by a trust if the individual is an individual described in section 17.9 of this chapter; and
 - (C) that consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

Except as provided in subsection (k), the term does not include property owned by a corporation, partnership, limited liability company, or other entity not described in this subdivision.

(b) Each year a homestead is eligible for a standard deduction from the assessed value of the homestead for an assessment date. Except as provided in subsection (p), the deduction provided by this section applies to property taxes first due and payable for an assessment date only if an individual has an interest in the homestead described in subsection (a)(2)(B) on:

- (1) the assessment date; or
- (2) any date in the same year after an assessment date that a statement is filed under subsection (e) or section 44 of this chapter, if the property consists of real property.

Subject to subsection (c), the auditor of the county shall record and make the deduction for the individual or entity qualifying for the



deduction.

(c) Except as provided in section 40.5 of this chapter, the total amount of the deduction that a person may receive under this section for a particular year is the lesser of:

- (1) sixty percent (60%) of the assessed value of the real property, mobile home not assessed as real property, or manufactured home not assessed as real property; or
- (2) forty-five thousand dollars (\$45,000).

(d) A person who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section with respect to that real property, mobile home, or manufactured home.

(e) Except as provided in sections 17.8 and 44 of this chapter and subject to section 45 of this chapter, an individual who desires to claim the deduction provided by this section must file a certified statement in duplicate, on forms prescribed by the department of local government finance, with the auditor of the county in which the homestead is located. The statement must include:

- (1) the parcel number or key number of the property and the name of the city, town, or township in which the property is located;
- (2) the name of any other location in which the applicant or the applicant's spouse owns, is buying, or has a beneficial interest in residential real property;
- (3) the names of:

(A) the applicant and the applicant's spouse (if any):

- (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
- (ii) that they use as their legal names when they sign their names on legal documents;

if the applicant is an individual; or

(B) each individual who qualifies property as a homestead under subsection (a)(2)(B) and the individual's spouse (if any):

- (i) as the names appear in the records of the United States Social Security Administration for the purposes of the issuance of a Social Security card and Social Security number; or
- (ii) that they use as their legal names when they sign their



names on legal documents;
if the applicant is not an individual; and

(4) either:

(A) the last five (5) digits of the applicant's Social Security number and the last five (5) digits of the Social Security number of the applicant's spouse (if any); or

(B) if the applicant or the applicant's spouse (if any) does not have a Social Security number, any of the following for that individual:

(i) The last five (5) digits of the individual's driver's license number.

(ii) The last five (5) digits of the individual's state identification card number.

(iii) If the individual does not have a driver's license or a state identification card, the last five (5) digits of a control number that is on a document issued to the individual by the federal government and determined by the department of local government finance to be acceptable.

If a form or statement provided to the county auditor under this section, IC 6-1.1-22-8.1, or IC 6-1.1-22.5-12 includes the telephone number or part or all of the Social Security number of a party or other number described in subdivision (4)(B) of a party, the telephone number and the Social Security number or other number described in subdivision (4)(B) included are confidential. The statement may be filed in person or by mail. If the statement is mailed, the mailing must be postmarked on or before the last day for filing. The statement applies for that first year and any succeeding year for which the deduction is allowed. With respect to real property, the statement must be completed and dated in the calendar year for which the person desires to obtain the deduction and filed with the county auditor on or before January 5 of the immediately succeeding calendar year. With respect to a mobile home that is not assessed as real property, the person must file the statement during the twelve (12) months before March 31 of the year for which the person desires to obtain the deduction.

(f) If an individual who is receiving the deduction provided by this section or who otherwise qualifies property for a deduction under this section:

(1) changes the use of the individual's property so that part or all of the property no longer qualifies for the deduction under this section; or

(2) is no longer eligible for a deduction under this section on another parcel of property because:



(A) the individual would otherwise receive the benefit of more than one (1) deduction under this chapter; or

(B) the individual maintains the individual's principal place of residence with another individual who receives a deduction under this section;

the individual must file a certified statement with the auditor of the county, notifying the auditor of the change of use, not more than sixty (60) days after the date of that change. An individual who fails to file the statement required by this subsection is liable for any additional taxes that would have been due on the property if the individual had filed the statement as required by this subsection plus a civil penalty equal to ten percent (10%) of the additional taxes due. The civil penalty imposed under this subsection is in addition to any interest and penalties for a delinquent payment that might otherwise be due. One percent (1%) of the total civil penalty collected under this subsection shall be transferred by the county to the department of local government finance for use by the department in establishing and maintaining the homestead property data base under subsection (i) and, to the extent there is money remaining, for any other purposes of the department. This amount becomes part of the property tax liability for purposes of this article.

(g) The department of local government finance shall adopt rules or guidelines concerning the application for a deduction under this section.

(h) This subsection does not apply to property in the first year for which a deduction is claimed under this section if the sole reason that a deduction is claimed on other property is that the individual or married couple maintained a principal residence at the other property on March 1 in the same year in which an application for a deduction is filed under this section or, if the application is for a homestead that is assessed as personal property, on March 1 in the immediately preceding year and the individual or married couple is moving the individual's or married couple's principal residence to the property that is the subject of the application. Except as provided in subsection (n), the county auditor may not grant an individual or a married couple a deduction under this section if:

(1) the individual or married couple, for the same year, claims the deduction on two (2) or more different applications for the deduction; and

(2) the applications claim the deduction for different property.

(i) The department of local government finance shall provide secure access to county auditors to a homestead property data base that



includes access to the homestead owner's name and the numbers required from the homestead owner under subsection (e)(4) for the sole purpose of verifying whether an owner is wrongly claiming a deduction under this chapter or a credit under IC 6-1.1-20.4, IC 6-1.1-20.6, or IC 6-3.5.

(j) A county auditor may require an individual to provide evidence proving that the individual's residence is the individual's principal place of residence as claimed in the certified statement filed under subsection (e). The county auditor may limit the evidence that an individual is required to submit to a state income tax return, a valid driver's license, or a valid voter registration card showing that the residence for which the deduction is claimed is the individual's principal place of residence. The department of local government finance shall work with county auditors to develop procedures to determine whether a property owner that is claiming a standard deduction or homestead credit is not eligible for the standard deduction or homestead credit because the property owner's principal place of residence is outside Indiana.

(k) As used in this section, "homestead" includes property that satisfies each of the following requirements:

- (1) The property is located in Indiana and consists of a dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.
- (2) The property is the principal place of residence of an individual.
- (3) The property is owned by an entity that is not described in subsection (a)(2)(B).
- (4) The individual residing on the property is a shareholder, partner, or member of the entity that owns the property.
- (5) The property was eligible for the standard deduction under this section on March 1, 2009.

(l) If a county auditor terminates a deduction for property described in subsection (k) with respect to property taxes that are:

- (1) imposed for an assessment date in 2009; and
- (2) first due and payable in 2010;

on the grounds that the property is not owned by an entity described in subsection (a)(2)(B), the county auditor shall reinstate the deduction if the taxpayer provides proof that the property is eligible for the deduction in accordance with subsection (k) and that the individual residing on the property is not claiming the deduction for any other property.

(m) For assessment dates after 2009, the term "homestead" includes:

- (1) a deck or patio;



- (2) a gazebo; or
- (3) another residential yard structure, as defined in rules adopted by the department of local government finance (other than a swimming pool);

that is assessed as real property and attached to the dwelling.

(n) A county auditor shall grant an individual a deduction under this section regardless of whether the individual and the individual's spouse claim a deduction on two (2) different applications and each application claims a deduction for different property if the property owned by the individual's spouse is located outside Indiana and the individual files an affidavit with the county auditor containing the following information:

- (1) The names of the county and state in which the individual's spouse claims a deduction substantially similar to the deduction allowed by this section.
- (2) A statement made under penalty of perjury that the following are true:
 - (A) That the individual and the individual's spouse maintain separate principal places of residence.
 - (B) That neither the individual nor the individual's spouse has an ownership interest in the other's principal place of residence.
 - (C) That neither the individual nor the individual's spouse has, for that same year, claimed a standard or substantially similar deduction for any property other than the property maintained as a principal place of residence by the respective individuals.

A county auditor may require an individual or an individual's spouse to provide evidence of the accuracy of the information contained in an affidavit submitted under this subsection. The evidence required of the individual or the individual's spouse may include state income tax returns, excise tax payment information, property tax payment information, driver license information, and voter registration information.

(o) If:

- (1) a property owner files a statement under subsection (e) to claim the deduction provided by this section for a particular property; and
 - (2) the county auditor receiving the filed statement determines that the property owner's property is not eligible for the deduction;
- the county auditor shall inform the property owner of the county auditor's determination in writing. If a property owner's property is not eligible for the deduction because the county auditor has determined



that the property is not the property owner's principal place of residence, the property owner may appeal the county auditor's determination to the county property tax assessment board of appeals as provided in IC 6-1.1-15. The county auditor shall inform the property owner of the owner's right to appeal to the county property tax assessment board of appeals when the county auditor informs the property owner of the county auditor's determination under this subsection.

(p) An individual is entitled to the deduction under this section for a homestead for a particular assessment date if:

(1) either:

(A) the individual's interest in the homestead as described in subsection (a)(2)(B) is conveyed to the individual after the assessment date, but within the calendar year in which the assessment date occurs; or

(B) the individual contracts to purchase the homestead after the assessment date, but within the calendar year in which the assessment date occurs;

(2) on the assessment date:

(A) the property on which the homestead is currently located was vacant land; or

(B) the construction of the dwelling that constitutes the homestead was not completed;

(3) either:

(A) the individual files the certified statement required by subsection (e) on or before December 31 of the calendar year in which the assessment date occurs to claim the deduction under this section; or

(B) a sales disclosure form that meets the requirements of section 44 of this chapter is submitted to the county assessor on or before December 31 of the calendar year for the individual's purchase of the homestead; and

(4) the individual files with the county auditor on or before December 31 of the calendar year in which the assessment date occurs a statement that:

(A) lists any other property for which the individual would otherwise receive a deduction under this section for the assessment date; and

(B) cancels the deduction described in clause (A) for that property.

An individual who satisfies the requirements of subdivisions (1) through (4) is entitled to the deduction under this section for the



homestead for the assessment date, even if on the assessment date the property on which the homestead is currently located was vacant land or the construction of the dwelling that constitutes the homestead was not completed. The county auditor shall apply the deduction for the assessment date and for the assessment date in any later year in which the homestead remains eligible for the deduction. A homestead that qualifies for the deduction under this section as provided in this subsection is considered a homestead for purposes of section 37.5 of this chapter and IC 6-1.1-20.6. The county auditor shall cancel the deduction under this section for any property that is located in the county and is listed on the statement filed by the individual under subdivision (4). If the property listed on the statement filed under subdivision (4) is located in another county, the county auditor who receives the statement shall forward the statement to the county auditor of that other county, and the county auditor of that other county shall cancel the deduction under this section for that property.

(q) This subsection applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013. Notwithstanding any other provision of this section, an individual buying a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property under a contract providing that the individual is to pay the property taxes on the mobile home or manufactured home is not entitled to the deduction provided by this section unless the parties to the contract comply with IC 9-17-6-17.

(r) This subsection:

(1) applies to an application for the deduction provided by this section that is filed for an assessment date occurring after December 31, 2013; and

(2) does not apply to an individual described in subsection (q).

The owner of a mobile home that is not assessed as real property or a manufactured home that is not assessed as real property must attach a copy of the owner's title to the mobile home or manufactured home to the application for the deduction provided by this section.

(s) For assessment dates after 2013, the term "homestead" includes property that is owned by an individual who:

(1) is serving on active duty in any branch of the armed forces of the United States;

(2) was ordered to transfer to a location outside Indiana; and

(3) was otherwise eligible, without regard to this subsection, for the deduction under this section for the property for the assessment date immediately preceding the transfer date specified



in the order described in subdivision (2).

For property to qualify under this subsection for the deduction provided by this section, the individual described in subdivisions (1) through (3) must submit to the county auditor a copy of the individual's transfer orders or other information sufficient to show that the individual was ordered to transfer to a location outside Indiana. The property continues to qualify for the deduction provided by this section until the individual ceases to be on active duty, the property is sold, or the individual's ownership interest is otherwise terminated, whichever occurs first. Notwithstanding subsection (a)(2), the property remains a homestead regardless of whether the property continues to be the individual's principal place of residence after the individual transfers to a location outside Indiana. However, the property ceases to qualify as a homestead under this subsection if the property is leased while the individual is away from Indiana. Property that qualifies as a homestead under this subsection shall also be construed as a homestead for purposes of section 37.5 of this chapter."

Page 12, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 12. IC 6-1.1-18.5-22.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 22.3. (a) This section applies only to Brown County due to unique circumstances regarding the approval of budgets and the resulting property tax levies for various county funds in 2013 through 2014.**

(b) If the county fiscal body adopts an ordinance before October 1, 2015, to impose a property tax levy in 2016 and in 2017 under this section, the department shall permit the county to impose the levy in each of those years. The property tax levy:

(1) is not subject to the maximum permissible ad valorem property tax levy limits otherwise applicable to the county under this chapter; and

(2) may not be considered in calculating the maximum permissible ad valorem property tax levy limits otherwise applicable to the county under this chapter.

(c) The amount of the property tax levy that may be imposed by the county each year under this section in 2016 and in 2017 is four hundred seventy-eight thousand one hundred fifteen dollars (\$478,115) in each of those years.

(d) The money received from a property tax levy under this section must be deposited in a separate fund. The money in the fund may be used by the county only to make transfers to the county funds that were affected in 2013 through 2014 by the



unique circumstances regarding the approval of budgets and the resulting property tax levies, in the amounts determined to be appropriate by the department.

(e) This section expires June 30, 2020.

SECTION 13. IC 6-1.1-18.5-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 23. (a) This section applies to the following townships in Hancock County:**

- (1) Brown Township.**
- (2) Jackson Township.**
- (3) Blue River Township.**

(b) The executive of a township listed in subsection (a) may, after approval by the fiscal body of the township, submit a petition to the department of local government finance requesting an increase in the maximum permissible ad valorem property tax levy for the township's general fund.

(c) If the executive of a township submits a petition under subsection (b), the department of local government finance shall increase the maximum permissible ad valorem property tax levy for the township's general fund for property taxes first due and payable after December 31, 2015, by an amount equal to the lesser of the following:

- (1) Twenty-five thousand dollars (\$25,000).**
- (2) The sum of the following:**
 - (A) The amount necessary to make the maximum permissible ad valorem property tax levy for the township's general fund equal to the maximum permissible ad valorem property tax levy that would have applied to the township's general fund under section 3 of this chapter for property taxes first due and payable after December 31, 2015, if in each year, beginning in 2003 and ending in 2015, the township had imposed the maximum permissible ad valorem property tax levy for the township's general fund in each of those years (regardless of whether the township did impose the entire amount of the maximum permissible ad valorem property tax levy for the township's general fund).**
 - (B) The amount necessary to make the maximum permissible ad valorem property tax levy under section 3 of this chapter for the township's firefighting fund under IC 36-8-13 equal to the maximum permissible ad valorem property tax levy under section 3 of this chapter that**



would have applied to the township's firefighting fund for property taxes first due and payable after December 31, 2015, if in each year, beginning in 2003 and ending in 2015, the township had imposed the maximum permissible ad valorem property tax levy for the township's firefighting fund in each of those years (regardless of whether the township did impose the entire amount of the maximum permissible ad valorem property tax levy for the township's firefighting fund).".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 436 as introduced.)

HERSHMAN, Chairperson

Committee Vote: Yeas 12, Nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 436, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 7, strike "township" and insert "**county**".

Page 2, line 7, after "resides" insert ".".

Page 2, line 7, strike "or to".

Page 2, strike line 8.

Page 2, line 10, strike "township or".

Page 2, line 14, strike "township or".

Page 3, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 3. IC 6-1.1-3-7.2, AS ADDED BY P.L.80-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 7.2. (a) This section applies in a county in which an exemption ordinance adopted under this section is in effect in the county for those assessment dates occurring:

(1) after the later of:

(A) December 31, 2015; or

(B) the date on which the ordinance is adopted; and

(2) before the ordinance is rescinded.

(b) As used in this section, "affiliate" means an entity that

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effectively controls or is controlled by a taxpayer or is associated with a taxpayer under common ownership or control, whether by shareholdings or other means.

(c) As used in this section, "business personal property" means personal property that:

- (1) is otherwise subject to assessment and taxation under this article;
- (2) is used in a trade or business or otherwise held, used, or consumed in connection with the production of income; and
- (3) was:
 - (A) acquired by the taxpayer in an arms length transaction from an entity that is not an affiliate of the taxpayer, if the personal property has been previously used in Indiana before being placed in service in the county; or
 - (B) acquired in any manner, if the personal property has never been previously used in Indiana before being placed in service in the county.

The term does not include mobile homes assessed under IC 6-1.1-7, personal property held as an investment, or personal property that is assessed under IC 6-1.1-8 and is owned by a public utility subject to regulation by the Indiana utility regulatory commission. However, the term does include the personal property of a telephone company or a communications service provider if that personal property meets the requirements of subdivisions (1) through (3), regardless of whether that personal property is assessed under IC 6-1.1-8 and regardless of whether the telephone company or communications service provider is subject to regulation by the Indiana utility regulatory commission.

(d) As used in this section, "county income tax council" refers to the county income tax council established by IC 6-3.5-6-2 for a county.

(e) As used in this section, "exemption ordinance" refers to an ordinance adopted under subsection (f) by a county income tax council.

(f) The county income tax council may by a majority vote of the total votes allocated to the county income tax council adopt an ordinance to have the exemption under this section apply throughout the county.

(g) For purposes of adopting an exemption ordinance under this section, a county income tax council is comprised of the same members as the county income tax council that is established by IC 6-3.5-6-2 for the county, regardless of whether a county income tax is in effect in the county and regardless of which county income tax is in effect in the county. Except as otherwise provided in this section, the county income tax council shall use the same procedures that apply under IC 6-3.5-6



when acting under this section.

(h) Before adopting an exemption ordinance under this section, a county income tax council must conduct a public hearing on the proposed exemption ordinance. The county income tax council must publish notice of the public hearing in accordance with IC 5-3-1.

(i) The county income tax council shall provide a certified copy of an adopted exemption ordinance to the department of local government finance and the county auditor.

(j) Notwithstanding section 7 of this chapter, if:

(1) a county income tax council has adopted an exemption ordinance and this section applies to a county for a particular assessment date; and

(2) the acquisition cost of a taxpayer's business personal property in a county is less than twenty thousand dollars (\$20,000) for that assessment date;

the taxpayer's business personal property in the county for that assessment date is exempt from taxation.

(k) A taxpayer that is eligible for the exemption under this section is not required to file a personal property return for the taxpayer's business personal property in the county for that assessment date. However, the taxpayer must, before May 15 of the calendar year in which the assessment date occurs, file with the county assessor an annual **notarized** certification **signed under penalties for perjury** stating that the taxpayer's business personal property in the county is exempt from taxation under this section for that assessment date."

Delete page 4.

Page 5, delete lines 1 through 22.

Page 5, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 5. IC 6-1.1-3-24, AS AMENDED BY P.L.257-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 24. (a) In determining the assessed value of various sizes of outdoor advertising signs for the 2011 through ~~2016~~ **2018** assessment dates, a taxpayer and assessing official shall use the following table without any adjustments:

Single Pole Structure

Type of Sign	Value Per Structure
At least 48 feet, illuminated	\$5,000
At least 48 feet, non-illuminated	\$4,000
At least 26 feet and under 48 feet, illuminated	\$4,000
At least 26 feet and under 48 feet, non-illuminated	\$3,300
Under 26 feet, illuminated	\$3,200

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Under 26 feet, non-illuminated	\$2,600
Other Types of Outdoor Signs	
At least 50 feet, illuminated	\$2,500
At least 50 feet, non-illuminated	\$1,500
At least 40 feet and under 50 feet, illuminated	\$2,000
At least 40 feet and under 50 feet, non-illuminated	\$1,300
At least 30 feet and under 40 feet, illuminated	\$2,000
At least 30 feet and under 40 feet, non-illuminated	\$1,300
At least 20 feet and under 30 feet, illuminated	\$1,600
At least 20 feet and under 30 feet, non-illuminated	\$1,000
Under 20 feet, illuminated	\$1,600
Under 20 feet, non-illuminated	\$1,000

(b) This section expires July 1, ~~2017~~ **2019**."

Page 6, line 25, after "native" insert "**timber**".

Page 7, line 19, delete "March 1, 2015, assessment date," and insert "**2015 and 2016 assessment dates,**".

Page 7, line 21, delete "two thousand fifty" and insert "**the lesser of:**

(1) the base rate value included in the Real Property Assessment Guidelines; or

(2) the product of:

(A) the base rate value for the immediately preceding assessment date; multiplied by

(B) the assessed value growth quotient determined under IC 6-1.1-18.5-2."

Page 7, line 22, delete "dollars (\$2,050), and this", begin a new line blocked left and insert:

"This".

Page 7, line 26, delete "January 1, 2017." and insert "**December 31, 2017.**".

Page 7, delete lines 27 through 42, begin a new paragraph and insert:

"SECTION 7. IC 6-1.1-4-43 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2014 (RETROACTIVE)]: **Sec. 43. (a) This section applies to a real property assessment:**

(1) for the 2014 assessment date and assessment dates thereafter; and

(2) that includes a building that is:

(A) a limited market or special purpose property that is



considered a big box retail building using the Uniform Standards of Professional Appraisal Practice, as published by the Appraisal Standards Board of the Appraisal Foundation; and

(B) at least fifty thousand (50,000) square feet.

(b) In determining the true tax value of real property, consideration shall be given to the cost, sales comparison, and income capitalization approaches to value. The validity of an assessment shall be evaluated on the basis of all reasonable and relevant evidence presented. The three (3) approaches to value and the reconciliation of these approaches shall be applied using generally accepted appraisal principles. For purposes of this subsection, the following apply:

(1) Except for income producing properties, preference shall be given to the value conclusion indicated by applying the cost approach using guidelines established by the department of local government finance for the assessment of land and improvements.

(2) The determination of whether properties are comparable shall be made using generally accepted appraisal principles.

(3) The sales price for any sale of a property being analyzed as a comparable sale under the sales comparison approach to value, including a previous sale of the property being valued, may not be used if the property being analyzed as a comparable sale was vacant on the date of sale and had not been occupied for the twenty-four (24) months preceding the comparable property's date of sale.

SECTION 8. IC 6-1.1-4-44 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE MARCH 1, 2015 (RETROACTIVE)]: Sec. 44. (a) This section applies to a real property assessment:

(1) for the 2015 assessment date and assessment dates thereafter; and

(2) that includes land classified as residential excess land.

(b) A county assessor may apply throughout the county an influence factor to recognize the reduced acreage value of residential excess land. The influence factor may be applied on a per acre basis or based on acreage categories."

Delete page 8.

Page 9, delete lines 1 through 25.

Page 23, line 23, delete "IC 6-1.1-18.5-23" and insert "IC 6-1.1-18.5-23.2".



Page 23, line 25, delete "23." and insert "**23.2.**".

Page 24, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 14. IC 6-1.1-36-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 18. (a) As used in this section, "local agency" has the meaning set forth in IC 4-6-3-1.**

(b) As used in this section, "tax liability" includes liability for special assessments and refers to liability for property taxes after the application of all allowed deductions and credits. The term does not include any property taxes that a person is not required to pay under IC 6-1.1-15-10 with respect to a pending review of an assessment or an increase in assessment under IC 6-1.1-15.

(c) The fiscal body of a county may adopt an ordinance to allow the county, political subdivisions within the county, and local agencies within the county to:

- (1) apply section 19 of this chapter to the consideration of an application for a property tax exemption, a property tax deduction, a zoning change or zoning variance, a building permit, or any other locally issued license or permit; and**
- (2) use a uniform property tax disclosure form for purposes of section 19 of this chapter.**

(d) If the fiscal body of a county adopts an ordinance under this section, the fiscal body shall prescribe the uniform property tax disclosure form used within the county. The state board of accounts and the department of local government finance shall provide assistance to a fiscal body in prescribing the form upon the request of the fiscal body. The form must require the disclosure of the following information from a person applying for a property tax exemption, a property tax deduction, a zoning change or zoning variance, a building permit, or any other locally issued license or permit:

- (1) A description of each parcel of real property located in the county that is owned by the person.**
- (2) A verified statement, made under penalties of perjury, listing the following concerning each parcel of real property disclosed under subdivision (1):**
 - (A) The parcels for which the person is current on the tax liability, if any.**
 - (B) The parcels for which the person has a delinquent tax liability, if any.**
- (3) Any other information necessary for the county, a political subdivision within the county, or a local agency within the**



county to determine whether the person has a delinquent tax liability on real property located in the county.

SECTION 15. IC 6-1.1-36-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 19. (a) This section applies to the following:**

(1) A county in which the county fiscal body adopts an ordinance under section 18 of this chapter.

(2) A political subdivision or local agency located in a county described in subdivision (1).

(b) As used in this section, "local agency" has the meaning set forth in IC 4-6-3-1.

(c) As used in this section, "tax liability" includes liability for special assessments and refers to liability for property taxes after the application of all allowed deductions and credits. The term does not include any property taxes that a person is not required to pay under IC 6-1.1-15-10 with respect to a pending review of an assessment or an increase in assessment under IC 6-1.1-15.

(d) A county, a political subdivision within the county, or a local agency within the county may require a person applying for a property tax exemption, a property tax deduction, a zoning change or zoning variance, a building permit, or any other locally issued license or permit to submit a uniform property tax disclosure form prescribed under section 18 of this chapter with the person's application for the property tax exemption, property tax deduction, zoning change or zoning variance, building permit, or any other locally issued license or permit.

(e) A county, a political subdivision within the county, or a local agency within the county may include any of the following policies in the process of approving a person's application for a property tax exemption, a property tax deduction, a zoning change or zoning variance, a building permit, or any other locally issued license or permit:

(1) A policy of requiring for each parcel of real property owned by the person and located in the county proof that the person is current on the parcel's tax liability before approving the application.

(2) A policy of requiring a person who has disclosed a delinquent property tax liability on real property located in the county to enter an agreement with the county treasurer establishing a payment schedule to pay in full the delinquent tax liability as a condition of approving the application.



(3) A policy of refusing to approve an application until a person has paid in full any delinquent tax liability on real property located in the county that has been:

(A) disclosed under subsection (d) on the person's uniform property tax disclosure form; or

(B) otherwise identified by the county, a political subdivision within the county, or a local agency within the county.

(f) For purposes of subsection (e), a person may submit copies of the person's property tax receipts or other documentation approved by the county, a political subdivision within the county, or local agency within the county as proof that the person is current on the tax liability for each parcel of real property owned by the person in the county."

Page 25, line 26, reset in roman "IC 6-1.1-3-7.2(k)".

Page 25, line 26, delete "IC 6-1.1-3-7.2(e)".

Page 25, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 15. IC 6-1.5-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 1. (a) A state agency to be known as the Indiana board of tax review is established. The Indiana board is composed of three (3) lay members. **An individual must hold the certification of a level two assessor-appraiser under IC 6-1.1-35.5 to be a member of the Indiana board after December 31, 2016.** The governor shall appoint the members of the Indiana board. The members of the Indiana board shall elect the chairperson of the board.

(b) Two (2) members of the Indiana board must be members of one (1) major political party, and one (1) member of the board must be a member of the other major political party.

(c) Except as provided in ~~subsections~~ **subsection (d), and (e);** the term of office of an Indiana board member is four (4) years.

~~(d) The initial terms of office of the Indiana board are as follows:~~

~~(1) For one (1) board member, one (1) year.~~

~~(2) For one (1) board member, two (2) years.~~

~~(3) For one (1) board member, three (3) years.~~

~~(e) (d)~~ An Indiana board member appointed to fill a vacancy shall serve for the unexpired term of the member's predecessor.

~~(f) (e)~~ Any two (2) members of the Indiana board constitute a quorum for the transaction of business. Action may be taken by the Indiana board only upon the vote of a majority of the whole board.

SECTION 16. IC 6-1.5-2-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2015]: **Sec. 1.5. (a) This section applies to an individual who is a member of the Indiana board on December 31, 2016.**

(b) If the individual has not obtained the certification of a level two assessor-appraiser under IC 6-1.1-35.5, on January 1, 2017, the individual forfeits membership on the Indiana board and the position shall be treated as a vacancy.

(c) This section expires June 30, 2017.

SECTION 17. IC 6-1.1-37-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. (a) This section applies to any refund for a property resulting from a real property tax assessment appeal for the property for the 2014 assessment date or any prior assessment date. This section does not apply if any refund for a property under appeal has been paid before May 1, 2015. Except as modified by this section, all other provisions of IC 6-1.1 apply regarding the payment of refunds and application of credits.**

(b) If upon the conclusion of a real property tax assessment appeal, the total amount of property taxes owed to the taxpayer as a result of the appeal is one hundred thousand dollars (\$100,000) or more for the assessment dates under appeal, the auditor of the county in which the property is located may, instead of a refund, elect to apply credits in equal installments to future property tax installments for the property over a period of not more than five (5) years following the date of the conclusion of the assessment appeal. The auditor may elect to accelerate credits or to provide a full or partial refund within the five (5) year period.

(c) This section expires December 31, 2019."

Page 25, line 40, strike "subsection" and insert "**subsections**".

Page 25, line 40, after "(c)" delete "," and insert "**and (e),**".

Page 26, between lines 13 and 14, begin a new line block indented and insert:

"(3) The amount, if any, determined by the Indiana economic development corporation under subsection (e) at the time of the recertification of the certified technology park."

Page 26, line 14, delete "subsection (d)," and insert "**subsections (d) and (e),**".

Page 26, line 26, delete "and".

Page 26, line 33, delete "." and insert **"; and**

(3) the state adjusted gross income tax revenue that would be deposited in a redevelopment commission's incremental tax



financing fund if the deposits to the fund had not reached the maximum amount allowed under this section shall instead be deposited in equal amounts in the incremental tax financing funds of the other redevelopment commissions that operate the certified technology park."

Page 26, between lines 33 and 34, begin a new paragraph and insert:

"(e) If the criteria set forth in subsection (f) are satisfied, as determined by the Indiana economic development corporation, deposits in the incremental tax financing fund shall continue. However, the amount of additional deposits in the fund may not exceed one million dollars (\$1,000,000) during any four (4) year period following the certified technology park's most recent recertification.

(f) Before revenue may be deposited in the incremental tax financing fund under subsection (e), the certified technology park must demonstrate the following at the time of its recertification:

(1) That the certified technology park has received at least five million dollars (\$5,000,000) from deposits in the incremental tax financing fund under subsection (b)(1) and (b)(2).

(2) That the certified technology park demonstrates success over the four (4) year period immediately preceding the recertification in at least five (5) of the following categories:

(A) That the certified technology park has made significant successes in research and technology commercialization activity as demonstrated by extramural funding awards, invention disclosures, patent applications and awards, or intellectual property licenses.

(B) That the certified technology park employs a professional technology commercialization or dedicated business incubator staff with proven success with start up companies as demonstrated by continued growth and development of these start up companies.

(C) That the local option income tax revenue deposited in the certified technology park incremental tax financing fund during the most recent certification period was at least the amount of the local option income tax revenue deposited in the fund during the certification period preceding the most recent certification period.

(D) That the certified technology park maintains a system of record keeping and data driven best practices.

(E) That clients using the services of the certified



technology park pay wage rates averaging at least ten percent (10%) more than the average per capita wage rates in the county in which the certified technology park is located.

(F) That the certified technology park contracts with fifteen (15) or more client companies that are located in the park and each of these companies is involved in at least one (1) high technology activity.

(G) That the certified technology park can demonstrate growth in the number of full-time employees within the certified technology park over the four (4) year period.

(H) That the certified technology park can demonstrate growth in the number of incubated companies that increase full-time employment by at least thirty percent (30%) during the period of incubation.

(I) That the certified technology park can demonstrate growth in early stage client revenue while located within the certified technology park."

Page 26, line 34, delete "(e)" and insert "(g)".

Page 27, line 12, delete "a part of the maximum amount that may" and insert "**deposits covered by section 22(d)(3) of this chapter in a different amount than required by section 22(d)(3) of this chapter.**".

Page 27, delete lines 13 through 14.

Page 27, between lines 21 and 22, begin a new paragraph and insert:

"SECTION 17. IC 36-8-19-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: **Sec. 16. (a) The department of local government finance shall review the tax rates and levies for each fire protection territory that has a uniform tax rate throughout the territory. The department shall complete its review of all territories before July 1, 2017.**

(b) The department of local government finance shall consider adjusting the tax levies for the participating units and whether different tax rates for fire protection services should be applied for the participating units included within the territory. In conducting its review, the department of local government finance shall consider the following factors and discuss the factors with each participating unit in the territory:

(1) The population and change in population of each unit in the territory.

(2) The assessed valuation and change of assessed valuation of



real property in each unit in the territory.

(3) The cost of providing fire service to each unit in the territory.

(4) Comparisons to other jurisdictions providing similar fire service.

(5) Previous tax rates and levies for fire protection.

(6) Future needs and planned or expected expenses for fire service.

(7) Other factors as determined by the department.

(c) Adjustments, if any, made under this section shall be applied to levies and rates beginning in 2017."

Page 27, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 18. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to request the appropriate study committee to study during the 2015 legislative interim the methods used to determine the true tax value for nonincome producing commercial property.

(b) This SECTION expires January 1, 2016."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 436 as printed February 20, 2015.)

BROWN T

Committee Vote: yeas 20, nays 0.

